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Letter No. 2228

September 5, 1985

1.1 MILLION
TONS OF WHEAT
TO USSR

Sec'y of Agriculture John Block announced the Soviet Union will buy an additional 1.1 million metric tons of wheat, exceeding a record set earlier this year for Soviet grain purchases from the U.S. The wheat purchase brings Soviet grain purchases to close to 20 million metric tons. The Soviets purchased 14 million metric tons of grain in 1984. The Soviet purchase will meet the 4 million metric ton minimum for wheat of the Aug. 1983 agreement.

U.S. WHEAT
EXPORT FORECAST

As of mid-August, the U.S. wheat export estimate for June-May 1984/85 remained unchanged at 38.8 million tons, as was the forecast for 1985/86, at 32.7 million tons. Sizable U.S. wheat purchases by Peru and Pakistan, along with continued steady buying from Japan were the month's highlights for U.S. wheat exporters, until Aug. 30, when Sec'y Block announced the purchase of 1.1 million metric tons of wheat by the USSR.

U.S. EXPORTS -
COARSE GRAIN

As of mid-August, the 1984/85 U.S. coarse grain export estimate was lowered to 57.2 million tons, reflecting reduced corn and barley trade prospects, according to the U.S. Department of Agriculture. Corn exports to Japan and Mexico have dropped off, but shipments to the European Community have recently increased. The export forecast for Oct.-Sept. 1985/86 remains at 56.1 million tons.

CCC CREDIT
FOR HUNGARY

Sec'y of Agriculture John Block announced in Budapest the authorization of \$22 million in Commodity Credit Corporation credit guarantees for sales of U.S. agricultural products to Hungary. The credit guarantees will provide the following coverage for purchases by Hungary: \$13.5 million on sales of protein meals; \$2 million on sales of soybean protein products for human consumption; \$5 million on sales of cotton; \$1 million on sales of animal breeding materials including semen, embryos, and breeding animals; and \$500,000 on sales of shelled almonds.

CCC LOAN RATE;
8-1/8 PCT.

Commodity loans disbursed in Sept. by the U.S. Department of Agriculture's Commodity Credit Corporation will carry an 8-1/8 pct. interest rate. The new rate is up from 7-3/4 pct.

SOYBEAN RATE;
\$5.02 PER BU.

The U.S. Department of Agriculture set the final loan and purchase rate for 1985-crop soybeans at \$5.02 per bushel, the minimum permitted by law. Soybeans are not eligible for the farmer-owned reserve programs or for storage payment.

PRICES
RECEIVED
INDEX

The August Index of Prices Received by Farmers for All Farm Products decreased 4 points from July to 122 pct. of its Jan.-Dec. 1977 average, according to the U.S. Department of Agriculture. Lower prices for corn, hogs, potatoes, soybeans and oranges were partially offset by higher prices for lettuce, eggs, lemons, cattle and peaches. The index was 21 points - 15 pct. - below a year ago. (For more statistical information, call 202-447-5446.)

PRICES PAID
INDEX

The August Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates was 163 pct. of its 1977 average, according to the U.S. Department of Agriculture. The index was unchanged from last month but down 1 point from a year earlier. The feed index was down 3 points from July and 21 points less than a year earlier. Feed grains contributed most to the decrease from a month earlier. (For more statistical information, call 202-447-5446.)

1984 FARM
EXPENDITURES

Farm expenditures for 1984 totaled \$128.3 billion, down 2.3 pct. from a year earlier, according to the U.S. Department of Agriculture. The average expenditure per farm was \$55,145 which is \$375 below the 1983 average. Lower prices for replacement livestock along with inventory reductions resulted in expenditures for livestock being down \$1.5 billion and feed \$1 billion. Other significant decreases occurred in wages and contract labor down \$600 million and interest down \$400 million. These four major categories accounted for 44 pct. of the total expenditures for farm operations.

1984 EXPENDITURE
& FARM SIZE

In 1984, farms that had more than \$100,000 sales from marketing of crops and livestock accounted for 52 pct. of the total expenditure of \$128.3 billion, according to the U.S. Department of Agriculture. Farms in the \$20,000 to \$100,000 range accounted for 29 pct. of the expenditure. Farms with less than \$20,000 of agricultural sales had 19 pct. of the total expenditures.

FOUNTAIN OF
YOUTH FOR
CUT FLOWERS

A little-known chemical increases the life of cut flowers by suppressing a hormone responsible for aging in plants, according to the U.S. Department of Agriculture. The chemical is aminooxyacetic acid, or AOAA, which acts by preventing a plant's production of ethylene, a hormone that starts the ripening and aging of flowers, fruits and vegetables. Currently AOAA is available only to industry and research organizations. (For details, contact Chien Y. Wang, ARS, USDA, Beltsville, Md. 20705. Phone: 301/344-3128.)

WHAT'S A
JERKY?

Do you want to ship some beef jerky to Japan? You'd better check with Japanese customs, according to the U.S. Department of Agriculture. Tokyo customs officials state that beef jerky made by chopping and forming falls under tariff code for sausage, and is thus allowed entry outside of Japanese quota. However, if the product is rectangular, the final product must be less than 4 to 5 centimeters wide to qualify for non-import quota status. At the same time, chopped and formed jerky in cylindrical or stick form may enter Japan outside quota regardless of diameter. You got that?

FROM OUR
TELEVISION
SERVICE

FRUIT OUTLOOK...USDA economist Ben Huang focuses on the current status of fruit supplies in the U.S. and how these supplies are affecting production and demand. Vic Powell interviews. (461)

IRRIGATION OF FARMLAND...The numbers show that farmers in many sections of the nation are benefiting from irrigating their land. USDA economist John Hostetler takes a look at the reasons behind the growth of irrigation. Vic Powell interviews. (462)

SOUTH ASIAN AGRICULTURE...U.S. farm exports to South Asia are projected to rise about nineteen percent in fiscal 1986. USDA economist Maurice Landes talks about the South Asian region and its agriculture. DeBoria Janifer interviews. (463)

THE GRIST MILL...Tom Armbruster, Maryland Public Television, talks with miller, Chris Erickson, about the successful historic restoration of an operating 19th century mill.

HAY PRODUCTION...Darrell Miller, University of Illinois, talks about the income potential of growing hay as an alternative to corn and soybeans. Gary Beaumont interviews. (465)

EMERGENCY
LOANS TO
MONTANA

Sec'y of Agriculture John Block named all of Montana as eligible for Farmers Home Admin. emergency loans because of losses due to drought and grasshopper infestation from Jan. through July. Farmers and ranchers in Montana have eight months in which to apply for the loans to help cover part of their actual losses.

LEAN MEAT
STUDIES

A white-faced meaty sheep native to the Netherlands and valued for its lean meat will be bred for the first time in this country by the U.S. Department of Agriculture. The breed is named Texel, and the USDA imported it to see what potential it may have for the U.S. sheep industry. One possibility could be the Texel becoming a new source of lean lamb for consumers.

1985 SALES
TO CANADA

Last year, U.S. agricultural sales to Canada reached \$1.9 billion, 6 pct. greater than in 1983. In 1985, exports are expected to top the \$2-billion mark for the first time, according to the U.S. Department of Agriculture. Agricultural products comprise only 10 pct. of all the products and materials Canada exports, compared to 17 pct. for the U.S. However, Canadian agriculture is more export oriented. In 1983, Canada exported one-half of its farm production, while the U.S. exported one-fourth.

DAIRY, LIVESTOCK
& POULTRY EXPORTS

The export value of U.S. dairy, livestock, and poultry commodities and dressed hides and skins, including leather, totaled less than \$2.3 billion during Jan.-June 1985, about 2 pct. below the same 1984 period. According to the U.S. Department of Agriculture, nearly all of the major commodity groups, such as red meats, animal fats and oils, and hides and skins contributed to the decline. Most of the decline resulted from a combination of decreased volume and lower unit prices, except for hides and skins, and poultry, eggs and products for which the declines were due entirely to lower unit prices.

OFF MIKE

Ever so often we like to put a goof into this column to see if anyone is reading it (and if you'll believe that statement, we have a bridge in Brooklyn we'd like to sell you). Anyway, our latest goof comes with a big apology to the person we should have been talking about...but, for some unexplainable reason, we didn't. A couple weeks ago, we talked about the Iowa State Fair Governor's Charity Steer Show in which several farm broadcasters participated. The co-ecmee for the event (and here's where we goofed) was Bob Baker (KOEL, Oelwein, IA), not Mike Perrine (WJIL, Jacksonville, IL) as we reported. Sorry 'bout that Bob ... For you history buffs, we have a special offer. Layne Beaty (retired chief, USDA Radio/TV) donated his correspondence, photographs and various and sundry historical papers to the National Agriculture Library. The library in turn compiled a register of all this material into a publication entitled, "The Papers of Layne R. Beaty." It lists everything on deposit at the library. If you would like a copy, let us know ... Ralph Seeley has left WMAQ, Chicago, and is now Sales Marketing Coordinator for the LBAS Consulting Group, the parent company for the Helming Report ... Welcome visitor in the office this week, Bryce Anderson (WOWT, Omaha, NB). We lied to each other for awhile, then he headed for his next appointment ... Here's a "catchin' up on changes" item: Scott Dewald is now working with Mark Hays at KKYN, Plainview, TX. Scott had been with Ron Hays (Oklahoma Agrinet, Oklahoma City, OK) prior to the move ... Our congratulations to Warren Nielson (KFAB, Omaha, NB) and Dink Embry (WHOP, Hopkinsville, KY). They both received recognition for outstanding broadcast journalism at the recent American Soybean Association's Soybean Expo in Texas ... And Curt Lancaster (VSA, San Angelo, TX) received the Outstanding News Reporting Award from the Texas Sheep and Goat Raisers Association. Again, our congratulations!


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1475...(Weekly 13½ min documentary) An increasing number of Americans are going West to experience being cowboys. George Holmes interviews a Dude Ranch owner in Jackson, Wyoming.

AGRITAPE/FARM PROGRAM REPORT #1464...(Weekly reel of news features) USDA news highlights; CCC loan interest rates and final loan rate for 1985 crop soybeans; Leaking underground tanks; Farm machinery woes; Atrazine for better grass.

CONSUMER TIME #957...(Weekly reel of five 2½-3 min features) Nutrition controversies; Acquiring a new family; Deer fences; Child molestation and emotional abuse; Be your own nutritionist.

USDA RADIO NEWS SERVICE...Wed, Sept. 11, U.S. crop production, World ag supply and demand; Fri, Sept. 13, Tobacco, Milk production; Tues, Sept. 17, Weekly crop and weather, rice; Wed, Sept. 18, Agriculture outlook; Thurs, Sept. 19, Sugar and sweeteners.


JAMES L. JOHNSON, Chief
Radio-Television Division